



SACHI A. HAMAI
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS


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MEMBERS OF THE BOARD

GLORIA MOLINA
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ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

February 16, 2011

TO: Dr. Mitchell H. Katz
Director of Health Services

FROM: Sachi A. Hamai 
Executive Officer

SUBJECT: IMPACT ON THE COUNTY DUE TO POTENTIAL
CHANGES IN PROGRAM REQUIREMENTS

At the Board of Supervisors' meeting held February 15, 2011, the Board discussed Agenda Item No. 53 relating to the Chief Executive Officer's report regarding negotiations with L.A. Care and your joint report with the Chief Executive Officer, regarding the Department of Health Services' ambulatory care restructuring plan. During the discussion, Supervisor Antonovich requested you to include the potential changes in program requirements or funding that would impact the County's current planning activities in the next Budget Committee of the Whole report.

Enclosed is a copy of the transcript to assist you in preparing your report.

SAH:ag

Enclosure

c: Each Supervisor
Chief Executive Officer

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1 1940S. WITH SHAPPELL INDUSTRIES, THEY PARTNERED TO BUILD
2 PORTER RANCH DEVELOPMENT. HE WAS DEEPLY INVOLVED IN CIVIC AND
3 CHARITABLE ACTIVITIES, SERVING ON THE BOARDS OF THE MUSIC
4 CENTER AND CEDAR SINAI MEDICAL CENTER, FOR WHICH HE HELPED
5 RAISE HUNDREDS OF MILLIONS OF DOLLARS OVER NEARLY SIX DECADES
6 AND IS A MEMBER OF THE WEST COAST CHAIRMAN'S COUNCIL OF THE
7 AMERICAN FRIENDS OF THE ISRAEL PHILHARMONIC ORCHESTRA AND MANY
8 OTHERS. HIS OTHER CAUSES INCLUDE SHANE'S INSPIRATION, THE
9 HEART FOUNDATION, ST. JOHN'S COLLEGE, THE SKIRBALL CENTER AND
10 THE SHOAH FOUNDATION. HE IS SURVIVED BY TWO DAUGHTERS, WENDY
11 FEINTECH AND LISA FEINTECH; TWO GRANDCHILDREN, ALEXANDRA AND
12 JORDAN PINKUS; AND OTHER FAMILY MEMBERS. THANK YOU.

13

14 **SUP. ANTONOVICH, MAYOR:** SECOND WITHOUT OBJECTION. SO ORDERED.
15 ITEM 53 AND WE HAVE SOME SPEAKERS. LET'S HAVE THE REPORT
16 FIRST.

17

18 **DR. MITCHELL KATZ:** GOOD AFTERNOON, MR. MAYOR, MEMBERS OF THE
19 BOARD. I'M DR. MITCH KATZ, YOUR DIRECTOR OF THE DEPARTMENT OF
20 HEALTH SERVICES. LONG BEFORE I TOOK THE JOB, I KNEW THAT LOS
21 ANGELES COUNTY WITH WAS WELL KNOWN FOR YOUR WORLD CLASS
22 HOSPITALS BUT THAT YOUR AMBULATORY CARE SYSTEM WAS VERY
23 UNDERDEVELOPED COMPARED TO OTHER COUNTY SYSTEMS. IN COMING
24 HERE I THINK THAT THAT ASSESSMENT WAS CERTAINLY VERY ACCURATE
25 AND I HOPE THAT YOU'LL AGREE THROUGH THE DETAILED PLAN THAT



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1 WE'VE ATTACHED TO YOUR REPORT THAT WE'RE TAKING STEPS TO
2 CORRECT THAT. WHAT YOU WOULD EXPECT IN A HIGH FUNCTIONING
3 AMBULATORY CARE SYSTEM IS THAT THE COUNTY HAS A RELATIONSHIP
4 WITH A HEALTH PLAN, THAT IT ALLOWS IT TO WORK DIRECTLY WITH
5 THAT HEALTH PLAN TO TAKE ON MEDICAID LIVES THIS IS OCCURRING
6 THROUGH THE SPECIAL POPULATIONS. YOU'D EXPECT THAT THERE WOULD
7 BE THE ABILITY TO DO UNIFORM ELIGIBILITY TO MAXIMIZE BENEFITS,
8 THAT THERE WAS THE ABILITY TO IMPANEL PATIENTS SO THAT PEOPLE
9 WOULD KNOW WHO THEIR DOCTOR OR NURSE PRACTITIONER WAS, THAT
10 PEOPLE WOULDN'T GO TO EMERGENCY ROOMS UNNECESSARILY FOR LACK
11 OF A DOCTOR, THAT THERE WOULD BE CLOSE TIES BETWEEN THE COUNTY
12 SYSTEM AND THE NONPROFIT PUBLIC PROVIDERS, PRIVATE PROVIDERS,
13 BECAUSE REALLY IT'S ABOUT A SAFETY NET, NO COUNTY SYSTEM CAN
14 DO IT ALONE OR NEEDS TO DO IT ALONE. THAT YOU WOULD EXPECT
15 THAT THERE WOULD BE CLOSE RELATIONSHIPS WITH INTEGRATED CARE
16 AND MENTAL HEALTH AND SUBSTANCE ABUSE. THAT'S WHAT A HIGH
17 PERFORMING SYSTEM LOOKS LIKE, AND I AM CONFIDENT THAT WE WILL
18 GET THERE. AND THAT'S WHY I'VE PUT TOGETHER THIS PLAN. AND
19 WE'VE ALREADY HIT A NUMBER OF MILESTONES. ONE OF THE ISSUES
20 THAT WILL COME TO YOU FOR GOVERNING BOARD DECISION IS ABOUT
21 THE RELATIONSHIP BETWEEN D.H.S., L.A. CARE AND YOUR C.H.P.
22 HEALTH PLAN. WHEN I LOOK AT THIS ISSUE, I THINK THAT IT IS --
23 WELL, I CAN TELL YOU THAT YOU'RE THE ONLY COUNTY THAT I'M
24 AWARE OF WHERE YOU ARE DUPLICATING FUNCTION THROUGH TWO
25 DIFFERENT HEALTH PLANS. SO THERE IS L.A. CARE, WHICH IS A



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1 HEALTH PLAN THAT YOU CREATED THROUGH YOUR LEGISLATION TO WHICH
2 SUPERVISOR MOLINA IS YOUR REPRESENTATIVE, ALONG WITH THREE
3 OTHER SEATS THAT ARE HELD BY THE COUNTY. IT WAS SET UP
4 SPECIFICALLY UNDER THE TWO-PLAN MODEL 15 YEARS AGO TO MANAGE
5 PEOPLE WITH MEDICAID. ANY TIME YOU HAVE A HEALTH PLAN, YOU'RE
6 SPENDING MONEY ON ADMINISTRATIVE COSTS. NO WAY AROUND IT. THE
7 BEST PLANS RUN AT ABOUT 9 PERCENT OF THE HEALTH DOLLAR, THE
8 WORST RUN 14 TO 17 PERCENT. WHAT'S UNUSUAL ABOUT YOUR CURRENT
9 SITUATION IS THAT YOU HAVE TWO HEALTH PLANS. SO THE MONEY GOES
10 TO L.A. CARE, AND THEN IN SOME CASES L.A. CARE THEN GIVES THE
11 MONEY TO YOUR OWN C.H.P., WHICH MEANS YOU DUPLICATE FUNCTIONS.
12 YOU BASICALLY ARE RUNNING DOUBLE MANAGED CARE COMPUTER
13 SYSTEMS, DOUBLE KINDS OF REQUIREMENTS BECAUSE MANAGED CARE IS
14 VERY TIGHTLY REGULATED. WHEN I LOOK AT THAT, I THINK WELL, OUR
15 MISSION IS TO PROVIDE GREAT CARE AND TO MINIMIZE THE EXPENSES
16 THAT ARE GOING TO ADMINISTRATION. IT DOESN'T, TO ME, MAKE
17 CLEAR SENSE WHY YOU WOULD WANT TO MAINTAIN TWO SEPARATE HEALTH
18 PLANS. THAT BEING SAID, I REALIZE THAT IT'S PART OF MY JOB IS
19 TO HELP FIGURE OUT AND HELP INFORM YOU ABOUT WHAT WOULD BE A
20 SENSIBLE PLAN AND TO SEEK YOUR SUPPORT FOR A TRANSITION PLAN.
21 ALL OF THE LIVES WOULD CONTINUE TO BE CARED FOR BY US. WE ARE
22 NOT GIVING UP OUR ROLE AS PROVIDER. SIMILARLY, THE AUDIT
23 REPORT THAT YOU HAVE GOTTEN, WHICH SHOWS THAT OVERALL THE
24 COUNTY IS ABLE TO RECOUP ITS EXPENSES PLUS SOME. YOU WILL
25 CONTINUE TO REAP THAT MONEY. IN FACT, YOU MAY ACTUALLY REAP



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1 MORE THAN THE \$12 MILLION A YEAR BECAUSE THAT 12 MILLION
2 SUBTRACTS THE DOUBLE ADMIN COSTS THAT YOU'RE PAYING. WE'VE
3 BEEN IN DISCUSSIONS WITH THE PEOPLE IN C.H.P. ABOUT HOW MUCH
4 WE AS D.H.S. NEED THEM. I WANT VERY MUCH TO HAVE A ROBUST
5 MANAGED CARE SERVICE ORGANIZATION. WE NEED CARE MANAGERS TO
6 KEEP PEOPLE OUT OF THE EMERGENCY ROOMS. WE NEED PEOPLE TO
7 CONNECT LOW INCOME PEOPLE ESPECIALLY IF THEY HAVE LANGUAGE
8 DIFFICULTIES OR LIVE FAR AWAY OR VERY UNUSUAL HEALTH NEEDS TO
9 THE KINDS OF CARE THAT WE NEED. SO I NEED THE PEOPLE, BUT I
10 WOULD LIKE TO LET GO OF THE UNNECESSARY PART OF THE
11 ADMINISTRATION. AND I THINK THAT THIS IS A MISSION THAT THE
12 PEOPLE IN THE OFFICE OF MANAGED CARE WILL ACTUALLY RALLY
13 AROUND. WE HAVE BEEN TALKING: RIGHT NOW YOU ARE CARING FOR
14 200,000 PEOPLE, I HAVE 900,000 PEOPLE THAT I WANT YOU TO CARE
15 FOR AND MAYBE MORE UNDER THE HEALTH REFORM EXPANSION. THIS IS
16 A GREAT SCOPE OF WORK. THIS IS NOT A DIMINISHMENT OF YOUR
17 ROLE. THIS IS A GROWTH OF YOUR ROLE. AND SO I HOPE TO BE ABLE
18 TO BRING YOU FOR YOUR POLICY CONSIDERATION IN THE COMING
19 MONTHS AN ACTUAL IMPLEMENTATION PLAN. WE DON'T IMAGINE THIS
20 WOULD HAPPEN ALL AT ONCE. THIS WOULD BE A GRADUAL PLAN. BUT I
21 WOULD LIKE TO BE ABLE TO HELP ARTICULATE FOR THE STAFF SO THEY
22 KNOW WHAT TO EXPECT. IT CAN BE VERY DIFFICULT FOR STAFF TO
23 WORK WHEN YOU'RE TELLING THEM, "WELL I'M REALLY NOT SURE WHAT
24 THE FUTURE OF C.H.P. IS, WE DON'T KNOW THAT." THAT TENDS TO
25 PRODUCE POOR MORALE AND MAKES PEOPLE FEEL UNCONNECTED TO THE



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1 MISSION OF THE ORGANIZATION. AND MY GOAL IS TO REALLY CONNECT
2 THEM TO THAT MISSION. SO WITH THAT, I'M VERY HAPPY TO ANSWER
3 ANY QUESTIONS OR HEAR YOUR SUGGESTIONS OR IDEAS ON WHAT YOU
4 WOULD LIKE TO SEE MOVING FORWARD.

5

6 **SUP. ANTONOVICH, MAYOR:** THIS PRE-DATES YOU, BUT THE HEALTH
7 MANAGEMENT ASSOCIATES REPORT MADE RECOMMENDATIONS ABOUT 10
8 MONTHS AGO. AND DOES THE C.E.O. AND DEPARTMENT GENERALLY AGREE
9 WITH THEIR RECOMMENDATIONS TO TRANSITION THE COMMUNITY HEALTH
10 PLAN OUT OF BEING AN H.M.O.?

11

12 **DR. MITCHELL KATZ:** YES, MR. MAYOR.

13

14 **SUP. ANTONOVICH, MAYOR:** AND I WAS SURPRISED TO READ IN THE
15 AUDITING FIRM'S REPORT THAT MORE THAN HALF OF THE COMMUNITY
16 HEALTH PLAN MEMBERS AREN'T SEEN BY COUNTY PHYSICIANS, AND THAT
17 THE DEPARTMENT IS EXPERIENCING BIG LOSSES WHEN THEY DO SEE
18 THESE PATIENTS.

19

20 **DR. MITCHELL KATZ:** PART OF THE CHALLENGE IS OUT OF NETWORK.
21 WHEN PEOPLE ARE SEEKING CARE IN OTHER PLACES OR WHEN THERE IS
22 A SERVICE THAT WE DON'T OURSELVES PROVIDE. I THINK THAT WE CAN
23 IMPROVE ON THOSE NUMBERS, SIR.

24



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1 **SUP. ANTONOVICH, MAYOR:** SO IS THERE ANY SIGNIFICANT
2 COORDINATION OF FUNCTIONS BETWEEN THE C.H.P. OFFICE OF MANAGED
3 CARE AND DEPARTMENT OF HEALTH SERVICES FACILITIES OR THE
4 DEPARTMENT'S FACILITIES JUST TREATED LIKE ANY PRIVATE
5 COMMUNITY PROVIDER?

6

7 **DR. MITCHELL KATZ:** MR. MAYOR, THERE IS COORDINATION. BUT IN
8 WHAT I'M ENVISIONING GOING FORWARD, I'M IMAGINING THAT THESE
9 STAFF ARE GOING TO BE MUCH MORE ENGAGED IN THE CARE OF OUR
10 ENTIRE POPULATION AND HELPING US TO BRING DOWN THE EXPENSIVE
11 USE OF HOSPITALIZATION AND EMERGENCY ROOM.

12

13 **SUP. ANTONOVICH, MAYOR:** DO WE HAVE ANY IN-SERVICE PROGRAMS FOR
14 COUNTY HOSPITALS TO UNDERSTAND HOW TO BE SUCCESSFUL IN
15 CONTROLLING COSTS FOR PATIENTS IN MANAGED CARE?

16

17 **DR. MITCHELL KATZ:** CERTAINLY RIGHT NOW, C.H.P. DOES THAT, BUT
18 ONLY FOR THEIR PATIENTS. YET SOME OF OUR HIGHEST COST PATIENTS
19 ARE PEOPLE WHO ARE NOT IN THE PLAN WHO I THINK THEY COULD DO A
20 MUCH BETTER JOB IF WE WOULD BROADEN THEIR FUNCTION.

21

22 **SUP. ANTONOVICH, MAYOR:** ARE THERE ANY DOWN SIZES WITH THE
23 SHIFTING OF ALL THE H.M.O. ACTIVITIES TO THE L.A. CARE?

24



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1 **DR. MITCHELL KATZ:** I THINK ANY TIME YOU'RE DOING CHANGE, IT'S
2 DIFFICULT. I'VE CERTAINLY HEARD THE FEARS THAT WELL, WOULD
3 THERE BE A LOSS OF CONTROL? AND I'VE TOLD PEOPLE TO RECOGNIZE
4 THERE ARE FOUR VOTES ON THE L.A. CARE BOARD FROM THIS COUNTY,
5 THAT THIS COUNTY WAS INTEGRAL TO THE CREATION OF IT, THAT WE
6 WOULD STILL MAINTAIN THE CONTRACTUAL KINDS OF
7 RESPONSIBILITIES. SO, FOR EXAMPLE, YOUR HEALTHY WORKERS
8 NETWORK IS LIMITED CURRENTLY TO D.H.S. FACILITIES. YOU CAN
9 MAINTAIN THAT. THAT'S A SMART DECISION YOU MADE IN ORDER TO
10 PROTECT YOUR OWN REVENUES. AND SO I BELIEVE THAT THIS IS A
11 GOOD DECISION. BUT I ALWAYS RECOGNIZE THAT THERE ARE -- CHANGE
12 IS DIFFICULT, MAKING SURE THAT PEOPLE UNDERSTAND THAT WE DO
13 NEED THEM. THAT THERE IS AN IMPORTANT MISSION FOR THEM. I
14 THINK WE CAN ACCOMPLISH THIS, SIR.

15

16 **SUP. ANTONOVICH, MAYOR:** CAN L.A. CARE EVER STOP DOING BUSINESS
17 WITH THE COUNTY? AND CAN THEY LEAVE US IN ANY POSITION WORSE
18 THAN WHAT WE ARE NOW IN WITH C.H.P.?

19

20 **DR. MITCHELL KATZ:** NO, SIR. YOU CREATED THAT PLAN. YOU HAVE
21 CONTROLLING INTEREST IN THAT PLAN.

22

23 **SUP. ANTONOVICH, MAYOR:** BECAUSE WE CREATED L.A. CARE BY AN
24 ORDINANCE?

25



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1 **DR. MITCHELL KATZ:** YES. AND ALSO YOU HAVE FOUR SEATS ON THAT
2 GOVERNING BODY. AND ALSO THE ARRANGEMENTS THAT WE'RE TALKING
3 ABOUT WILL BE YOUR BOARD-APPROVED CONTRACTS. IN OTHER WORDS,
4 IF THIS IS THE DIRECTION THAT YOU WANT TO GO IN, YOU WILL TELL
5 ME "DR. KATZ, PLEASE CONTRACT IN THE FOLLOWING WAYS. PLEASE
6 BRING US THE CONTRACTS FOR OUR APPROVAL." SO THAT YOU WILL
7 ALWAYS MAINTAIN CONTROL OVER REALLY BOTH PARTS OF THE
8 BUSINESS, THE MONEY THAT GOES FROM YOU TO THEM AND THE MONEY
9 THAT GOES FROM THEM TO YOU, YOU WILL ALWAYS HAVE TO CONTROL
10 THAT THROUGH YOUR BOARD VOTES.

11

12 **SUP. ANTONOVICH, MAYOR:** AND DOES L.A. CARE, WHAT IS THEIR
13 CAPACITY AND INFRASTRUCTURE AND ABILITIES TO CARRY OUT THESE
14 EXPECTATIONS?

15

16 **DR. MITCHELL KATZ:** THAT'S A VERY GOOD QUESTION, MR. MAYOR. AT
17 THE MOMENT, CERTAINLY THEY COULD NOT DO ALL OF IT, NOR WOULD I
18 WANT THEM TO DO ALL OF IT. WHAT I HOPE TO WORK WITH YOU ON IS
19 A CLEAR PLAN. I THINK THAT AS YOU MENTIONED IN YOUR FIRST
20 QUESTION, THIS ISSUE FIRST CAME TO YOUR BOARD 10 MONTHS AGO.
21 THIS IS NOT HEALTHY FOR AN ORGANIZATION TO HAVE OUT THERE A
22 QUESTION, IS C.H.P. CLOSING OR NOT? WE NEED TO RESOLVE THE
23 QUESTION ONE WAY OR ANOTHER. AND THAT'S TOTALLY IN YOUR
24 PROVINCE. BUT WE NEED TO RESOLVE IT ONE ONE WAY ANOTHER AND
25 SEND A MESSAGE TO OUR STAFF, THIS IS WHAT'S GOING TO BE



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1 HAPPENING. NOW, ONCE YOU SEND THAT CLEAR MESSAGE YOU DON'T
2 HAVE TO HAVE IT HAPPEN RIGHT AWAY BECAUSE I NEED THESE PEOPLE
3 FOR OTHER FUNCTIONS TO MANAGE CARE TO BE A MEDICAL SERVICE
4 ORGANIZATION. SO IF YOU GAVE ME THAT DIRECTION, THEN I WOULD
5 BRING AN IMPLEMENTATION PLAN THAT MIGHT SHOW SOME OF THE LINES
6 OF BUSINESS MIGHT NOT MOVE OVER FOR A WHOLE YEAR OR YEAR AND A
7 HALF DEPENDING UPON IT'S READY. BUT THE STAFF WOULD THEN GET A
8 CLEAR MESSAGE, THIS IS WHAT I'M DOING, THIS IS WHAT OUR
9 MISSION IS, THIS IS HOW IT'S GOING GET DONE.

10

11 **SUP. ANTONOVICH, MAYOR:** DOES L.A. CARE FACE THE SAME BUDGET
12 SHORTFALLS THAT YOUR DEPARTMENT HAS?

13

14 **DR. MITCHELL KATZ:** NO. YOU SHOULD VIEW THEM, SIR, AS AN
15 ADMINISTRATIVE FUNCTION. THEY RECEIVE MONEY FROM THE STATE OR
16 THE FEDERAL GOVERNMENT FOR AN INSURANCE PRODUCT. THEY DO THEIR
17 ADMINISTRATIVE FUNCTION AND TAKE OFF THEIR ADMINISTRATIVE
18 PERCENT AND THEN THEY PASS THE REMAINING MONEY OVER TO THE
19 PROVIDERS. SO THERE'S NO OPPORTUNITY FOR DEFICIT.

20

21 **SUP. ANTONOVICH, MAYOR:** AND THEN HOW BIG IS THEIR WORKFORCE?
22 AND ARE THEY ABLE TO ACCOMMODATE THESE PATIENTS, AS I SAID?

23

24 **DR. MITCHELL KATZ:** THEY WOULD, MR. MAYOR, HAVE TO GROW THEIR
25 WORKFORCE IN ORDER TO ACCOMMODATE IT. I DON'T KNOW SIR WHAT



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1 THEIR CURRENT EMPLOYEES ARE. I CAN FIND THAT OUT FOR YOU. BUT
2 EVERYBODY RECOGNIZES THAT WERE THEY TO DO IT, THEY WOULD HAVE
3 TO GROW. AND THAT'S WHY WE WOULD HAVE TO, WITH YOUR APPROVAL,
4 BRING AN IMPLEMENTATION PLAN THAT SHOWS HOW THAT HAPPENS.

5

6 **SUP. ANTONOVICH, MAYOR:** ONE OF YOUR BIGGEST CHALLENGES WOULD
7 BE FACING THE DEPARTMENT IN ESTABLISHING ADEQUATE PRIMARY CARE
8 SITES AND SPECIALTY REFERRAL RESOURCES TO COMPLY WITH ACCESS
9 AND TREATMENT TIMELINES. SO WILL WE RECEIVE A COMPLETE PLAN TO
10 ADDRESS THESE AREAS?

11

12 **DR. MITCHELL KATZ:** YES SIR. THEY WILL COME BACK TO YOU AS PART
13 OF OUR UPDATES. AND I WILL TELL YOU, SIR, THAT WE'VE HAD SOME
14 TERRIFIC MEETINGS WITH THE PRIVATE PROVIDERS. AND THEY ARE
15 PREPARED TO WORK WITH US. WE'VE IDENTIFIED AREAS WHERE WE
16 BELIEVE AND THEY BELIEVE THAT THE INCENTIVES WERE NOT ALIGNED
17 CORRECTLY TO ENABLE THEM TO DO THE BEST POSSIBLE JOB TO HELP
18 US. SO THIS IS REALLY OUR FUTURE. IF WE'RE GOING TO CONTINUE
19 TO DRAW DOWN FEDERAL MONEY, WE'RE GOING TO HAVE TO PROVIDE
20 PRIMARY CARE. THE FEDERAL GOVERNMENT IS NOT GOING TO ACCEPT
21 THE IDEA OF PEOPLE JUST COMING TO THE EMERGENCY ROOM AND THEN
22 PAYING 50 CENTS ON THAT DOLLAR. BUT WE CAN WORK WITH OUR
23 PARTNERS BOTH SO THAT WE HAVE CAPACITY AND THEY HAVE CAPACITY.

24



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1 **SUP. ANTONOVICH, MAYOR:** TO FOLLOW-UP ON THE DISCUSSION FROM
2 LAST WEEK'S BOARD MEETING REGARDING THE NEED FOR THE
3 DEPARTMENT AND THE C.E.O. TO ENSURE THAT THE PLANS FOR
4 IMPLEMENTATION OF THE HEALTHCARE REFORM AND THE WAIVER TAKE
5 INTO ACCOUNT POTENTIAL CHANGES THAT MAY OCCUR AT THE STATE.
6 BECAUSE AS WE'RE TALKING TODAY, PROBLEMS ARE GOING TO BE
7 OCCURRING WITH STATE ISSUES AND ALSO AT THE FEDERAL LEVEL THAT
8 WOULD DISRUPT YOUR PROGRAMMING FOR THE COMING FISCAL YEAR. SO
9 YOU COULD INCLUDE THAT REPORT IN THE POTENTIAL CHANGES IN
10 PROGRAM REQUIREMENTS OR FUNDING THAT COULD IMPACT THE COUNTY'S
11 CURRENT PLANNING ACTIVITIES?

12

13 **DR. MITCHELL KATZ:** YES, SIR. I'LL BE SURE TO DO THAT. THANK
14 YOU, MR. MAYOR.

15

16 **SUP. ANTONOVICH, MAYOR:** OKAY, THANK YOU. QUESTIONS? MOTION BY
17 SUPERVISOR MOLINA. OH, EXCUSE ME. GENEVIEVE CLAVREUL AND SHARI
18 DOI?

19

20 **DR. GENEVIEVE CLAVREUL:** GOOD AFTERNOON, DR. GENEVIEVE
21 CLAVREUL. IT WAS KIND OF NICE TO HAVE DR. KATZ EXPLAIN THE
22 SYMBIOTIC RELATIONSHIP BETWEEN L.A. CARE AND THE COUNTY.
23 THAT'S A RELATIONSHIP I'VE BEEN TRYING TO FIND OUT FOR A LONG,
24 LONG TIME. AND I THINK IF WE LOOK BACK, IT WOULD BE
25 INTERESTING TO LOOK HOW SOME OF THE MONEY ARE CIRCULATING



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1 BETWEEN THE TWO GROUPS THAT I WOULD LIKE VERY MUCH TO KNOW
2 MORE ABOUT IT. I HAVE ALWAYS BEEN CONCERNED OF THE
3 RELATIONSHIP BETWEEN L.A. CARE AND L.A. COUNTY. I THINK THERE
4 IS A QUASI GOVERNMENT RELATIONSHIP WHICH IS NEVER TOO HEALTHY.
5 BUT, ANYWAY, I'M ALSO CONCERNED WHEN YOU LOOK AT THE PART OF
6 THE REPORT THAT NOBODY MENTIONED THAT, IS THAT HEALTH
7 MANAGEMENT ASSOCIATE ARE RECEIVING ANOTHER INCREASE OF MONEY
8 FOR A REPORT THAT WAS NOT SET, VALID IN THE FIRST TIME. NOW WE
9 ARE INCREASING THE COST OF THEIR WORK TO \$196,000 AND 284
10 CENTS. WHY ARE WE DOING THAT? I THINK THE INITIAL SCOPE OF
11 WORK THEY DID WAS VERY MEEK AND CERTAINLY DID NOT -- WAS THE
12 VALUE WE PAY FOR. AND NOW WE ARE INCREASING SOME MORE MONEY.
13 WHAT HAVE THEY DONE IN ADDITION TO WHAT THEY'VE DONE BEFORE?
14

15 **SHARI DOI:** HI. GOOD AFTERNOON. MY NAME IS SHARI DOI, I'M THE
16 POLICY DIRECTOR FOR THE SERVICE EMPLOYEES INTERNATIONAL UNION
17 LOCAL 721 AND I'M HERE ON BEHALF OBVIOUSLY OF OUR MEMBERS WHO
18 WORK IN THE DEPARTMENT OF HEALTH SERVICES AND ALSO THOSE WHO
19 WORK IN COMMUNITY HEALTH PLAN. AND THIS IS REGARDING THE
20 DECEMBER 22 REPORT. AND I THINK WE WANT TO EXPRESS THAT WE
21 UNDERSTAND AS THE REPORT INDICATES THAT THERE ARE SOME STRICT
22 DEADLINES RELATED TO THE 1115 MEDICAID WAIVER AND THE S.P.D.
23 POPULATION. WE UNDERSTAND THAT THE COUNTY BELIEVES THAT L.A.
24 CARE HAS THE CAPACITY TO RAMP UP QUICKLY AND TO HANDLE THIS
25 POPULATION. AND WE ARE OBVIOUSLY AS A UNION VERY SUPPORTIVE OF



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1 THE 1115 MEDICAID WAIVER AND SORT OF MEETING THE DEADLINES
2 RELATED TO THAT. WE DO HAVE A FEW CONCERNS JUST RELATED TO THE
3 ISSUE OF -- OR JUST ISSUES WE WANTED TO RAISE RELATING TO THE
4 NEGOTIATIONS OF TRANSFERS FROM THE MEDICAL END OF BUSINESS
5 FROM C.H.P. TO L.A. CARE. FIRST IS WE DID RECENTLY HAVE A TOWN
6 HALL WITH OUR C.H.P. WORKFORCE AND DR. SCHUNHOFF AND SOME OF
7 THE OTHER COUNTY FOLKS ON JANUARY 22ND TO GET AN UPDATE ON THE
8 NEGOTIATIONS. AND WE DEFINITELY APPRECIATED THIS EVENT AND THE
9 DIALOGUE IT CREATED. HOWEVER, FOR THE SIX MONTHS PRIOR TO THAT
10 HAPPENING, WE HAD RECEIVED VERY LITTLE INFORMATION AND VERY
11 LITTLE COMMUNICATION ABOUT WHAT WAS GOING ON EVEN THOUGH WE
12 HAD ASKED FOR IT. JUST TO GO BACK TO THE SEPTEMBER 10TH
13 REPORTS FROM LAST YEAR THAT THE C.E.O.'S OFFICE HAD SUBMITTED
14 TO THE BOARD ENTITLED STATUS REPORT ON HEALTH MANAGEMENT
15 ASSOCIATES RECOMMENDATIONS FOR NEGOTIATIONS WITH L.A. CARE AND
16 FOR AMBULATORY CARE RESTRUCTURING. ONE OF THE THINGS IT
17 INCLUDED IN THERE WAS MAKE ALL EFFORTS TO INVOLVE LABOR IN THE
18 TRANSITION PROCESS THAT WILL RESULT IN THIS NEW PARTNERSHIP.
19 SO THAT'S REALLY WHAT WE ARE ASKING FOR AS THIS PROCESS
20 CONTINUES TO MOVE FORWARD. AND WE'RE PARTICULARLY HOPEFUL WITH
21 DR. KATZ AND HIS LEADERSHIP THAT THIS DIALOGUE WILL HAPPEN AND
22 WILL CONTINUE. I APPRECIATED DR. KATZ'S COMMENTS ON WANTING TO
23 COMMUNICATE WITH STAFF. AND I THINK WHAT HE SAID WAS THAT
24 WITHOUT THAT THERE, THERE CAN BE CREATED THIS POOR MORALE AND
25 THAT PEOPLE DON'T FEEL CONNECTED TO THE MISSION. THAT'S



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1 DEFINITELY SOMETHING THAT WE THINK IS OR CAN BE OCCURRING. AND
2 SO WE'RE ASKING FOR THAT COMMUNICATION TO BE ONGOING AND TO
3 OCCUR AS THIS PROCESS MOVES FORWARD. AND OUR SECOND AREA, JUST
4 TO RAISE A CONCERN, IS THAT WE DIDN'T SEE IN THIS PARTICULAR
5 REPORT A STRONG PLAN ON WHAT WOULD HAPPEN TO THE WORKFORCE. WE
6 UNDERSTAND THAT THERE IS SOME IDEAS ABOUT CREATING AN M.S.O.,
7 MOVING SOME OF THE FUNCTIONS IN C.H.P. TO THAT M.S.O.
8 FUNCTION. BUT AGAIN THERE ISN'T A STRONG PLAN THERE. AND SO
9 WE'RE ASKING FOR IS THAT AS THIS PROCESS MOVES FORWARD, THAT
10 THE WORKFORCE BE INCLUDED IN FUTURE REPORTS AND UPDATES AND
11 FOR THE UNION TO BE ENGAGED IN THE DIALOGUE AS A PROCESS MOVES
12 AND BEFORE FINAL DECISIONS ARE MADE SO THAT WORKERS CAN HAVE A
13 VOICE IN THIS PROCESS AND A VOICE BASICALLY IN THEIR FUTURES
14 AND FEEL INVESTED IN THE CHANGES THAT WE NEED TO MAKE WITHIN
15 AMBULATORY CARE.

16

17 **SUP. ANTONOVICH, MAYOR:** WRAP IT UP.

18

19 **SHARI DOI:** OKAY. THAT'S PRETTY MUCH IT.

20

21 **SUP. ANTONOVICH, MAYOR:** THANK YOU VERY MUCH.

22

23 **SHARI DOI:** THANK YOU.

24



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1 **SUP. ANTONOVICH, MAYOR:** MOVE IT. SECOND WITHOUT OBJECTION. SO
2 ORDERED. OKAY, ON PUBLIC COMMENT. MICHAEL LOFTON. ERIC TAYLOR.
3 DONALD CARTER. MARVIN SOLER. MICHAEL LOFTON, ERIC TAYLOR.
4 DONALD CARTER. MARVIN SOLER. LET ME THEN CALL UP TWO MORE.
5 JOSE GALINDO? JOSE? JOSE HERE? NORMAN PHAGANS. NORMAN. YES
6 SIR. OKAY. ONE MORE, BOBBY COOPER. BOBBY COOPER? BOBBY'S HERE?
7 OKAY. YES, MICHAEL.

8

9 **MICHAEL LOFTON:** YES, GOOD AFTERNOON, BOARD OF SUPERVISORS. I
10 WANT TO READ THIS STATEMENT TO YOU BECAUSE OF FIRST OF ALL I'D
11 LIKE TO HAND OUT A COPY OF IT TO EACH ONE OF YOU. OKAY. MY 30-
12 YEAR EMPLOYMENT WITH THE L.A.D.W.P. AS A SENIOR ELECTRICAL
13 MECHANIC ENDED MARCH 12, 2009 MINUS ALL L.A.D.W.P. RETIREMENT
14 BENEFITS. ANY MAN WITH LESS THAN INDEPENDENT MEANS MUST HAVE
15 INCOME. ON DECEMBER THE 12TH OF 2010, I WAS SERVED A SUMMONS
16 BY ONE OF MY CREDITORS FOR THE MONEY I OWE HIM IN A LIABILITY
17 CASE 10 K 18049. I FILED IN COURT AND SERVED ON THE PLAINTIFF
18 MY ANSWER TO THE COMPLAINT ACKNOWLEDGING THE DEBT WHICH I
19 CANNOT PAY UNLESS I RECEIVE MY L.A.D.W.P. RETIREMENT BENEFITS.
20 THAT SAME SERVICE CONTAINED A DOCUMENT ASKING THE COURT TO
21 TAKE JUDICIAL NOTICE OF LOS ANGELES SUPERIOR COURT CASE NO.
22 895188, LOFTON VERSUS THE L.A. UNIFIED SCHOOL DISTRICT, WHICH
23 IS ANOTHER CASE TO WHICH THE DEFENDANTS HAVE ALREADY ADMITTED
24 GUILT TO EACH AND EVERY ALLEGATION. THE COURT SET JANUARY 27TH
25 OF 2011 AS THE DATE TO APPEAR WITH MY ANSWER FOR CASE NUMBER